# LEGISLATIVE SERVICES AGENCY

### OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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#### FISCAL IMPACT STATEMENT

**LS 7230 NOTE PREPARED:** Jan 27, 2015

BILL NUMBER: HB 1629 BILL AMENDED:

**SUBJECT:** Lifetime Hunting and Fishing Licenses.

FIRST AUTHOR: Rep. Morris BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL IMPACT: State

X DEDICATED FEDERAL

<u>Summary of Legislation:</u> This bill requires the Department of Natural Resources (DNR) to issue to residents of Indiana and nonresidents of Indiana who own land in Indiana lifetime licenses to hunt, fish, or trap.

The bill requires the Natural Resources Commission (NRC) to adopt fees for lifetime licenses to hunt, fish, or trap.

Effective Date: July 1, 2015.

**Explanation of State Expenditures:** The bill would require the NRC to adopt rules establishing lifetime licenses and specifies the formula to be used. Rule promulgation is a core function of the NRC and should be accomplished within the current resources available to the Commission.

Explanation of State Revenues: The fiscal impact of the bill would depend on the number and ages of individuals who would buy the lifetime licenses and the amount of the fee compared with the number and type of licenses, if any, that would have been otherwise purchased. Under the bill, the specified formula could be interpreted to include all three annual licenses to hunt, fish, or trap or just one license fee. The bill also specifies that the DNR is to issue upon application, lifetime basic hunt, fish, or trap licenses to nonresidents who own land in Indiana. Depending on the calculation, the resident lifetime license fee could be \$128 or \$383 and the nonresident lifetime license fee could vary between \$263 to \$1,913.

The lifetime licenses would be for basic licenses. Game bird, waterfowl, deer, turkey, trout, and salmon stamps must be purchased separately at the regular price. DNR reported the following data relating to basic

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license adult resident license fees.

| 2014 Annual Resident License Sales by Type |                |                  |                               |                                  |
|--|----------------|------------------|-------------------------------|----------------------------------|
| Туре                                       | Number<br>Sold | Total<br>Revenue | Adult Resident<br>License Fee | Adult Nonresident<br>License Fee |
| Fish*                                      | 441,029        | 7,509,842        | \$17                          | \$35                             |
| Hunt                                       | 287,308        | 10,384,757       | \$17                          | \$80                             |
| Fish/Hunt                                  | 81,702         | 1,614,726        | \$25                          |                                  |
| Trap                                       | 5,670          | 101,925          | \$17                          | \$140                            |
| Total                                      | 815,709        | \$19,611,250     |                               |                                  |

<sup>\*</sup>Senior fish-for-life licenses are available to residents over age 65 for \$17.00. All other lifetime licenses were discontinued in July 2005.

Federal Funding: The bill would reduce the annual number of licenses sold and depending on the interpretation of the specified formula, could reduce the actuarial value of the licenses below the lowest annual amount necessary to qualify for the federal sport fish/wildlife restoration monies. In FFY 2014, the DNR received \$47.37 for each certified hunter and \$8.85 per angler in federal funding. The rate received by the state changes annually depending upon the number of Indiana license holders and the amount of tax collected nationally on the sale of firearms, ammunition, archery equipment, and fishing gear. In order to receive federal reimbursement for each lifetime license sold, the DNR must charge a fee that is commensurate with the normal cost for that privilege. Currently, the lowest allowable annual amount to qualify for federal sport fish/wildlife restoration funds is \$2.75.

The difference between the sale of a lifetime license and an annual license to the DNR is where the license fee revenue is deposited. Fees from the sale of annual licenses is deposited in the Fish & Wildlife Fund that is used to protect and propagate fish, game, and birds. Funds are also used to pay the operating expenses of the DNR Divisions of Law Enforcement and Fish and Wildlife as well as to support the automated point-of-sale licensing system.

Revenue from the sale of the lifetime licenses is deposited in the Lifetime Hunting, Fishing, and Trapping License Trust Fund. On July 1 of each year, all of the accumulated earnings in the fund plus  $2\frac{1}{2}$ % of the money in the fund, less the accumulated earnings, must be transferred to the Fish and Wildlife Fund to maintain the automated point-of-sale licensing system. Any unused part of the transfer may be used for protecting and propagating wildlife and paying the operational expenses of the Fish & Wildlife Division and the Law Enforcement Divisions. A portion of the revenue may be used for the Turn In a Poacher Program and the reward system established under the program. Additionally, the DNR director, with the approval of the NRC and the Budget Agency and after review by the Budget Committee, may use money in the fund to acquire real property that will be used and managed for hunting and fishing. Money in the fund at the end of a state fiscal year does not revert to the state General Fund.

#### **Explanation of Local Expenditures:**

#### **Explanation of Local Revenues:**

State Agencies Affected: DNR, NRC.

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## **Local Agencies Affected:**

**Information Sources:** DNR.

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